

AMENDED IN SENATE JULY 2, 2003  
AMENDED IN SENATE JUNE 17, 2003  
AMENDED IN ASSEMBLY JUNE 2, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 896**

**Introduced by Assembly Member Diaz**

February 20, 2003

---

---

An act to add ~~Section 20322.5~~ *Sections 20322.5 and 22754.3* to the Government Code, relating to public employees' retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 896, as amended, Diaz. Public employees' retirement benefits. Under the Public Employees' Retirement Law, retirement benefits are based in part on the number of years of service credit for a member existing law, local elected or appointed officers who serve on public commissions, boards, councils, or similar legislative or administrative bodies are excluded from membership in the Public Employees' Retirement System. The Public Employees' Medical and Hospital Care Act authorizes local agencies to provide specified health care benefits to their employees and annuitants, as defined.

This bill would, contingent upon the election of the local agency, authorize specified local members, who were previously excluded from membership, elective officers and employees of the agency to become members of the retirement system and to elect to receive service credit for their previously excluded service by making the required contributions for that service. Contributions are deposited in the Public

Employees' Retirement Fund, a continuously appropriated fund. By increasing member contributions to that fund, this bill would make an appropriation.

*The bill would further provide that those elective officers and employees who retire under the system, and their survivors, are not eligible for health care benefits provided to annuitants of the local agency.*

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 20322.5 is added to the Government  
2 Code, to read:

3 20322.5. (a) When this section applies to an elective officer  
4 or employee of a contracting agency, subdivision (c) of Section  
5 20322 does not apply to service with that contracting agency.

6 (b) A local member may elect to receive service credit for his  
7 or her service previously excluded by subdivision (c) of Section  
8 20322 by making the contributions as specified in Sections 21050  
9 and 21051 at any time prior to retirement.

10 (c) "Final compensation" for the purpose of determining any  
11 pension or benefit resulting from state service accrued while in  
12 membership pursuant to this section shall be based on the highest  
13 average annual compensation earnable by the member during each  
14 period of that state service. If that state service is a consideration  
15 in the computation of any pension or benefit, the member may  
16 have more than one final compensation.

17 (d) Notwithstanding subdivision (a), this section does not  
18 apply to elected or appointive officers of a contracting agency that  
19 is a county superintendent of schools, county office of education,  
20 school district, or community college district, who serve on public  
21 commissions, boards, councils, or similar legislative or  
22 administrative bodies.

23 (e) This section does not apply to any contracting agency, nor  
24 to the elective officers or employees of a contracting agency, until  
25 the agency elects to be subject to this section by contract or by  
26 amendment to its contract made in the manner prescribed for  
27 approval of contracts.



1     SEC. 2.   Section 22754.3 is added to the Government Code, to  
2     read:  
3     22754.3.   Notwithstanding subdivision (e) of Section 22754, a  
4     retired elective officer or employee who became a member of the  
5     Public Employees' Retirement System pursuant to Section  
6     20322.5 and who receives a retirement allowance from that  
7     retirement system, or any surviving family member who receives  
8     the retirement allowance in place of the deceased, is not an  
9     “annuitant” for purposes of this part.

